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MEMORANDUM FOR THE RECORD

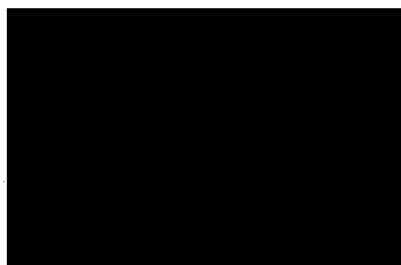
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SUBJECT: Revision of Confidential Funds Regulation Section VIII-
Procurement of Equipment, Non-Personal Services and Supplies

1. The following named individuals attended a meeting in room 1046 "L" Building
at 1400 on 13 July 1950:

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FD/SSS/CIA

EXO/OSO/CIA

Staff II/ORC/CIA: HR 70-2

PSD/SSS/CIA

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Class. Changed To: TS S <u>(C)</u>
at: <u>260978</u>
By: <u>025</u>

2. The proposed draft of Confidential Funds Regulations was taken up paragraph
by paragraph. The comments listed below were unanimously held by all representatives at
the meeting:

Under 8.0 a The omission of the word "space" was noted, and it is recommended that
the words "living and office space" be included in this directive after the word
"equipment".

Under 8.0 b This subparagraph was not liberal enough in view of the Agency head's
non-delegable authority and it was recommended that the following be substituted:

Covert procurement will be effected to the extent feasible in conformity
with general policies and procedures contained in the Armed Services pro-
curement regulations. (Public Law 413, 80th Congress, 2D Session, dated
February 1948)

3. The Special Support Staff has been operating under an interpretation from the
CIA General Counsel's office "that Section 10 (b) of Public Law 110 is in contradiction
to, and to that extent, overrides Section 3 (d) of the Act, and compliance with the
requirements of Section 3 (d) is not obligatory in the case of unvouchered contracts."
(Memorandum for The Record, Subject: "Unvouchered Procurement", dated 19 December 1949,
signed).

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4. One point which was not clear to the committee was whether or not the proposed
draft of this regulation covered adequately the requirements for leasing or buying and

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and the furnishing of such quarters for Government employees in overseas stations in lieu of authorized allowances. It is believed that this point should be clearly defined in the regulations when published. It is recommended that the following paragraph be incorporated in the regulations:

"When an overseas station chief finds that living allowances are insufficient to cover rental of quarters, furnishing of quarters and utilities of quarters he will submit a request with justification to the Assistant Director, who will in turn (if he concurs) submit these comments with recommendations to the Chief, Special Support Staff requesting a specified increase of allowances for the individual or leasing or buying of quarters through Government channels to house the employees of the Agency."

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